

# **EXHIBIT 58**

LOC

**WONDERWORKS INVESTMENTS  
LIMITED**

REPORT AND FINANCIAL STATEMENTS  
31 December 2012



## **WONDERWORKS INVESTMENTS LIMITED**

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### **REPORT AND FINANCIAL STATEMENTS**

31 December 2012

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## **WONDERWORKS INVESTMENTS LIMITED**

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### **BOARD OF DIRECTORS AND OTHER OFFICERS**

<b>Board of Directors:</b>	Andreas Mercouri
<b>Company Secretary:</b>	Trident Trust Company (Cyprus) Limited
<b>Independent Auditors:</b>	C. Symeonides & Co Limited Chartered Certified Accountants Trident Centre 115, Griva Digeni Avenue P.O Box 53110 CY-3300 Limassol, Cyprus
<b>Registered office:</b>	Amfitrionos Ydraiou 7 3022, Limassol Cyprus
<b>Bankers:</b>	Hellenic Bank Public Company Limited Credit Suisse AG Barclays Bank Plc
<b>Registration number:</b>	289039

## WONDERWORKS INVESTMENTS LIMITED

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### REPORT OF THE BOARD OF DIRECTORS

The Board of Directors presents its report and audited financial statements of the Company for the year ended 31 December 2012.

#### **Principal activity**

The principal activity of the Company during the year under review, is that of trading in securities .

#### **Review of current position, future developments and significant risks**

The Company incurred a loss of US\$7,996,022 for the year ended 31 December 2012, and, as of that date the Company's liabilities exceeded its assets by US\$8,017,746. The Company is dependent upon the continuing financial support of its shareholder without which there would be significant doubt about its ability to continue as a going concern as well as its ability to realise its assets and discharge its liabilities in the ordinary course of business. The shareholder has indicated its intention to continue providing such financial assistance to the Company to enable it to continue as a going concern and to meet its obligations as they fall due.

The main risks and uncertainties faced by the Company and the steps taken to manage these risks, are described in note 3 of the financial statements.

#### **Results**

The Company's results for the year are set out on page 6.

#### **Dividends**

The Board of Directors does not recommend the payment of a dividend.

#### **Share capital**

There were no changes in the share capital of the Company during the year under review.

#### **Board of Directors**

The member of the Company's Board of Directors as at 31 December 2012 and at the date of this report is presented on page 1. The sole director was a member of the Board of Directors throughout the year ended 31 December 2012.

In accordance with the Company's Articles of Association the sole director presently member of the Board continues in office.

There were no significant changes in the remuneration of the Board of Directors.

#### **Events after the reporting period**

On 18 April 2013 legislation was enacted by the House of Representatives to increase the corporate tax from 10% to 12.5% with effect from 1 January 2013. Furthermore, legislation was enacted to increase the rate of special defence contribution from 15% to 30% on interest which does not arise from the ordinary course of business or is closely linked to it.

## WONDERWORKS INVESTMENTS LIMITED


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### REPORT OF THE BOARD OF DIRECTORS

#### **Independent Auditors**

The Independent Auditors, C. Symeonides & Co Limited, have expressed their willingness to continue in office and a resolution giving authority to the Board of Directors to fix their remuneration will be proposed at the Annual General Meeting.

By order of the Board of Directors,



Andreas Mercouri  
Director

Limassol, Cyprus, 29 August 2013



**C. SYMEONIDES & Co LTD**

CHARTERED CERTIFIED ACCOUNTANTS

**C. SYMEONIDES & Co LTD**

Trident Centre  
115 Griva Digeni Avenue  
P.O. Box 53110  
CY-3300 Limassol, Cyprus  
Tel +357 - 25814144  
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Email csymeonides@csaudit.net

## **Independent auditor's report**

### **To the Members of Wonderworks Investments Limited**

#### **Report on the financial statements**

We have audited the financial statements of Wonderworks Investments Limited (the "Company") on pages 6 to 19 which comprise the statement of financial position as at 31 December 2012, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### *Board of Directors' responsibility for the financial statements*

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditor's responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Opinion*

In our opinion, the financial statements give a true and fair view of the financial position of Wonderworks Investments Limited as at 31 December 2012, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

## **Independent auditor's report (continued)**

### **To the Members of Wonderworks Investments Limited**

#### **Report on other legal requirements**

Pursuant to the requirements of the Auditors and Statutory Audits of Annual and Consolidated Accounts Law of 2009, we report the following:

- We have obtained all the information and explanations we considered necessary for the purposes of our audit.
- In our opinion, proper books of account have been kept by the Company.
- The Company's financial statements are in agreement with the books of account.
- In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Cyprus Companies Law, Cap. 113, in the manner so required.
- In our opinion, the information given in the report of the Board of Directors is consistent with the financial statements.

#### **Other matter**

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 34 of the Auditors and Statutory Audits of Annual and Consolidated Accounts Law of 2009 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

**C. SYMEONIDES & CO LTD**

**C. Symeonides & Co Limited**  
**Chartered Certified Accountants**

Limassol, Cyprus, 29 August 2013

**WONDERWORKS INVESTMENTS LIMITED****STATEMENT OF COMPREHENSIVE INCOME**

Year ended 31 December 2012

	Note	2012 US\$	2011 US\$
Other income	5	392	-
Net loss from investing activities	6	(3,871,307)	-
Administration and other expenses	7	(353,125)	(21,873)
<b>Operating loss</b>	8	<b>(4,224,040)</b>	<b>(21,873)</b>
Finance income	9	1,713	-
Finance costs	9	(3,773,695)	(1,281)
<b>Loss before tax</b>		<b>(7,996,022)</b>	<b>(23,154)</b>
Tax	10	-	-
<b>Net loss for the year</b>		<b>(7,996,022)</b>	<b>(23,154)</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive expenses for the year</b>		<b>(7,996,022)</b>	<b>(23,154)</b>


The notes on pages 10 to 19 form an integral part of these financial statements.

**WONDERWORKS INVESTMENTS LIMITED****STATEMENT OF FINANCIAL POSITION**

31 December 2012

	Note	2012 US\$	2011 US\$
<b>ASSETS</b>			
<b>Current assets</b>			
Trade and other receivables	11	6,189,161	250,000
Financial assets at fair value through profit or loss	12	318,571,624	-
Cash at bank and in hand	13	10,858,840	253,912
		<u>335,619,625</u>	<u>503,912</u>
<b>Total assets</b>		<u>335,619,625</u>	<u>503,912</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	14	1,430	1,430
Accumulated losses		(8,019,176)	(23,154)
<b>Total equity</b>		<u>(8,017,746)</u>	<u>(21,724)</u>
<b>Non-current liabilities</b>			
Borrowings	15	93,777,868	505,194
		<u>93,777,868</u>	<u>505,194</u>
<b>Current liabilities</b>			
Trade and other payables	16	249,336,532	20,442
Borrowings	15	522,971	-
		<u>249,859,503</u>	<u>20,442</u>
<b>Total liabilities</b>		<u>343,637,371</u>	<u>525,636</u>
<b>Total equity and liabilities</b>		<u>335,619,625</u>	<u>503,912</u>

On 29 August 2013 the Board of Directors of Wonderworks Investments Limited authorised these financial statements for issue.

  
 .....  
 Andreas Mercouri  
 Director

The notes on pages 10 to 19 form an integral part of these financial statements.

**WONDERWORKS INVESTMENTS LIMITED****STATEMENT OF CHANGES IN EQUITY**

Year ended 31 December 2012

	Note	Share capital US\$	Accumula- ted losses US\$	Total US\$
<b>Comprehensive income</b>				
Net loss for the year		-	(23,154)	(23,154)
Issue of share capital	14	1,430	-	1,430
<b>Balance at 31 December 2011/ 1 January 2012</b>		<b>1,430</b>	<b>(23,154)</b>	<b>(21,724)</b>
<b>Comprehensive income</b>				
Net loss for the year		-	(7,996,022)	(7,996,022)
<b>Balance at 31 December 2012</b>		<b>1,430</b>	<b>(8,019,176)</b>	<b>(8,017,746)</b>

Companies which do not distribute 70% of their profits after tax, as defined by the relevant tax law, within two years after the end of the relevant tax year, will be deemed to have distributed as dividends 70% of these profits. Special contribution for defence at 20% for the tax years 2012 and 2013 and 17% for 2014 and thereafter (up to 30 August 2011 the rate was 15% and was increased to 17% for the period thereafter to 31 December 2011) will be payable on such deemed dividends to the extent that the shareholders (companies and individuals) are Cyprus tax residents. The amount of deemed distribution is reduced by any actual dividends paid out of the profits of the relevant year at any time. This special contribution for defence is payable by the Company for the account of the shareholders.

The notes on pages 10 to 19 form an integral part of these financial statements.

**WONDERWORKS INVESTMENTS LIMITED****CASH FLOW STATEMENT**

Year ended 31 December 2012

	Note	2012 US\$	2011 US\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Loss before tax		(7,996,022)	(23,154)
Adjustments for:			
Loss from the sale of available-for-sale financial assets		100	-
Loss from the sale of financial assets at fair value through profit or loss		18,570,231	-
Fair value gains on financial assets at fair value through profit or loss		(9,793,994)	-
Dividend income	6	(4,905,030)	-
Interest income	9	(1,691)	-
Interest expense	9	3,758,125	194
<b>Cash flows used in operations before working capital changes</b>		<b>(368,281)</b>	<b>(22,960)</b>
Increase in trade and other receivables		(79,394,194)	-
Increase in financial assets at fair value through profit or loss		(5,145)	-
Increase in trade and other payables		84,988	20,442
<b>Cash flows used in operations</b>		<b>(79,682,632)</b>	<b>(2,518)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Dividends received		37	-
<b>Net cash flows from investing activities</b>		<b>37</b>	<b>-</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of share capital		-	1,430
Repayments of borrowings		(49,350,000)	-
Proceeds from borrowings		140,050,000	505,194
Interest paid		(662,531)	(194)
<b>Net cash flows from financing activities</b>		<b>90,037,469</b>	<b>506,430</b>
<b>Net increase in cash and cash equivalents</b>		<b>10,354,874</b>	<b>503,912</b>
Cash and cash equivalents:			
At beginning of the year		503,912	-
<b>At end of the year</b>	13	<b>10,858,786</b>	<b>503,912</b>

The notes on pages 10 to 19 form an integral part of these financial statements.

## **WONDERWORKS INVESTMENTS LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS**

Year ended 31 December 2012

#### **1. Incorporation and principal activities**

##### **Country of incorporation**

The Company Wonderworks Investments Limited (the "Company") was incorporated in Cyprus on 20 June 2011 as a private limited liability Company under the Cyprus Companies Law, Cap. 113. Its registered office is at Amfitrionos Ydraiou 7, 3022, Limassol, Cyprus.

##### **Principal activity**

The principal activity of the Company during the year under review, is that of trading in securities .

#### **2. Accounting policies**

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented in these financial statements unless otherwise stated.

##### **Basis of preparation**

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap.113. The financial statements have been prepared under the historical cost convention as modified by the revaluation of land and buildings, investment property, available-for-sale financial assets, and financial assets and financial liabilities at fair value through profit or loss.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

##### **Adoption of new and revised IFRSs**

During the current year the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2012. This adoption did not have a material effect on the accounting policies of the Company.

At the date of approval of these financial statements, standards and interpretations were issued by the International Accounting Standards Board which were not yet effective. Some of them were adopted by the European Union and others not yet. The Board of Directors expects that the adoption of these accounting standards in future periods will not have a material effect on the financial statements of the Company.

## WONDERWORKS INVESTMENTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2012

#### 2. Accounting policies (continued)

##### Revenue recognition

Revenues earned by the Company are recognised on the following bases:

- **Income from investments in securities**

Dividend from investments in securities is recognised when the right to receive payment is established. Withheld taxes are transferred to profit or loss. Interest from investments in securities is recognised on an accruals basis.

Profits or losses from the sale of investments in securities represent the difference between the net proceeds and the carrying amount of the investments sold and is transferred to profit or loss.

The difference between the fair value of investments at fair value through profit or loss as at 31 December 2012 and the mid cost price represents unrealised gains and losses and is included in profit or loss in the period in which it arises. Unrealised gains and losses arising from changes in the fair value of available-for-sale financial assets are recognised in equity. When available-for-sale financial assets are sold or impaired, the accumulated fair value adjustments are included in profit or loss as fair value gains or losses on investments, taking into account any amounts charged or credited to profit or loss in previous periods.

- **Dividend income**

Dividend income is recognised when the right to receive payment is established.

##### Finance income

Finance income includes interest income which is recognised based on an accrual basis.

##### Finance costs

Interest expense and other borrowing costs are charged to profit or loss as incurred.

##### Foreign currency translation

- (1) **Functional and presentation currency**

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in United States Dollars (US\$), which is the Company's functional and presentation currency.

- (2) **Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. Translation differences on non-monetary items such as equities held at fair value through profit or loss are reported as part of the fair value gain or loss.

## WONDERWORKS INVESTMENTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2012

#### 2. Accounting policies (continued)

##### Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

##### Financial instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

##### Trade receivables

Trade receivables are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

##### Financial assets

##### (1) Classification

The Company classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition.

##### • Financial assets at fair value through profit or loss

This category has two sub-categories: financial assets held for trading and those designated at fair value through profit or loss at inception. A financial asset is classified as held for trading if acquired principally for the purpose of selling in the short term. Financial assets designated as at fair value through profit or loss at inception are those that are managed and their performance is evaluated on a fair value basis, in accordance with the Company's documented investment strategy. Information about these financial assets is provided internally on a fair value basis to the Company's key management personnel. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within twelve months from the reporting date.

##### (2) Recognition and measurement

Regular way purchases and sales of financial assets are recognised on trade-date which is the date on which the Company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Loans and receivables are carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the "financial assets at fair value through profit or loss" category are presented in profit or loss in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the profit or loss when the Company's right to receive payments is established.

## WONDERWORKS INVESTMENTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2012

#### 2. Accounting policies (continued)

##### Financial instruments (continued)

##### Financial assets (continued)

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same and discounted cash flow analysis, making maximum use of market inputs and relying as little as possible on entity specific inputs. Equity investments for which fair values cannot be measured reliably are recognised at cost less impairment.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences on monetary securities are recognised in profit or loss, while translation differences on non-monetary securities are recognised in other comprehensive income. Changes in the fair value of monetary and non-monetary securities classified as available-for-sale are recognised in other comprehensive income.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in other comprehensive income are included in profit or loss as gains and losses on available-for-sale financial assets.

Interest on available-for-sale securities calculated using the effective interest method is recognised in the profit or loss. Dividends on available-for-sale equity instruments are recognised in profit or loss when the Company's right to receive payments is established.

The Company assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets the cumulative loss which is measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss, is removed from equity and recognised in profit or loss.

For financial assets measured at amortised cost, if in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available for sale equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of available for sale debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

##### Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held at call with banks cash with brokers and bank overdrafts. In the statement of financial position, bank overdrafts are included in borrowings in current liabilities.

## WONDERWORKS INVESTMENTS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2012

#### **2. Accounting policies (continued)**

##### **Financial instruments (continued)**

###### Borrowings

Borrowings are recorded initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

###### Trade payables

Trade payables are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

###### **Share capital**

Ordinary shares are classified as equity.

###### **Non-current liabilities**

Non-current liabilities represent amounts that are due more than twelve months from the reporting date.

#### **3. Financial risk management**

##### **Financial risk factors**

The Company is exposed to market price risk, interest rate risk, credit risk, liquidity risk, currency risk and capital risk management arising from the financial instruments it holds. The risk management policies employed by the Company to manage these risks are discussed below:

###### **3.1 Market price risk**

Market price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices. The Company's available-for-sale financial assets and financial assets at fair value through profit or loss are susceptible to market price risk arising from uncertainties about future prices of the investments. The Company's market price risk is managed through diversification of the investment portfolio.

###### **3.2 Interest rate risk**

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. Borrowings issued at fixed rates expose the Company to fair value interest rate risk. The Company's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

###### **3.3 Credit risk**

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date. The Company has no significant concentration of credit risk. The Company has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history and monitors on a continuous basis the ageing profile of its receivables. Cash balances are held with high credit quality financial institutions and the Company has policies to limit the amount of credit exposure to any financial institution.

## WONDERWORKS INVESTMENTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2012

#### 3. Financial risk management (continued)

##### 3.4 Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Company has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

##### 3.5 Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Company's measurement currency. The Company is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the US Dollar, Russian Roubles and the Euro. The Company's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

##### 3.6 Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Company's overall strategy remains unchanged from last year.

#### 4. Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- **Provision for bad and doubtful debts**

The Company reviews its trade and other receivables for evidence of their recoverability. Such evidence includes the customer's payment record and the customer's overall financial position. If indications of irrecoverability exist, the recoverable amount is estimated and a respective provision for bad and doubtful debts is made. The amount of the provision is charged through profit or loss. The review of credit risk is continuous and the methodology and assumptions used for estimating the provision are reviewed regularly and adjusted accordingly.

- **Income taxes**

Significant judgment is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

- **Fair value of financial assets**

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Company uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at each reporting date. The fair value of the financial assets available for sale has been estimated based on the fair value of these individual assets.

**WONDERWORKS INVESTMENTS LIMITED****NOTES TO THE FINANCIAL STATEMENTS**

Year ended 31 December 2012

**5. Other income**

	2012	2011
	US\$	US\$
Sundry operating income	392	-
	<u>392</u>	<u>-</u>

**6. Net loss from investing activities**

	2012	2011
	US\$	US\$
Fair value gains on financial assets at fair value through profit or loss	9,793,994	-
Dividend income	4,905,030	-
Loss from sale of forward contracts	(100)	-
Loss from sales of financial assets at fair value through profit or loss	(18,570,231)	-
	<u>(3,871,307)</u>	<u>-</u>

**7. Administration and other expenses**

	2012	2011
	US\$	US\$
Auditors' remuneration	23,541	2,273
Other professional fees	61,467	16,780
Brokerage fees	268,117	-
Sundry expenses	-	2,820
	<u>353,125</u>	<u>21,873</u>

**8. Operating (loss)**

	2012	2011
	US\$	US\$
Operating loss is stated after charging the following items:		
Auditors' remuneration	23,541	2,273
Incorporation expenses	-	2,820

**9. Finance income/cost**

	2012	2011
	US\$	US\$
Interest income	1,691	-
Exchange profit	22	-
Finance income	<u>1,713</u>	<u>-</u>
Interest expense	(3,758,125)	(194)
Sundry finance expenses	(15,570)	(1,087)
Finance costs	<u>(3,773,695)</u>	<u>(1,281)</u>
Net finance costs	<u>(3,771,982)</u>	<u>(1,281)</u>

**WONDERWORKS INVESTMENTS LIMITED****NOTES TO THE FINANCIAL STATEMENTS**

Year ended 31 December 2012

**10. Tax**

The tax on the Company's results before tax differs from the theoretical amount that would arise using the applicable tax rates as follows:

	2012 US\$	2011 US\$
Loss before tax	<u>(7,996,022)</u>	<u>(23,154)</u>
Tax calculated at the applicable tax rates	(799,602)	(2,315)
Tax effect of expenses not deductible for tax purposes	2,269,544	-
Tax effect of allowances and income not subject to tax	<u>(1,469,942)</u>	<u>2,315</u>
<b>Tax charge</b>	<u>-</u>	<u>-</u>

The corporation tax rate is 10%.

Under certain conditions interest income may be subject to defence contribution at the rate of 15% (10% to 30 August 2011). In such cases this interest will be exempt from corporation tax. In certain cases, dividends received from abroad may be subject to defence contribution at the rate of 20% for the tax years 2012 and 2013 and 17% for 2014 and thereafter (up to 30 August 2011 the rate was 15% and was increased to 17% for the period thereafter to 31 December 2011).

**11. Trade and other receivables**

	2012 US\$	2011 US\$
Trade receivables	<u>6,189,161</u>	<u>250,000</u>
	<u>6,189,161</u>	<u>250,000</u>

The fair values of trade and other receivables due within one year approximate to their carrying amounts as presented above.

The exposure of the Company to credit risk and impairment losses in relation to trade and other receivables is reported in note 3 of the financial statements.

**12. Financial assets at fair value through profit or loss**

	2012 US\$	2011 US\$
Balance at 1 January	-	-
Additions	8,888,632,913	-
Disposals	(8,579,855,283)	-
Change in fair value	<u>9,793,994</u>	<u>-</u>
<b>Balance at 31 December</b>	<u>318,571,624</u>	<u>-</u>

The financial assets at fair value through profit or loss are marketable securities and are valued at market value at the close of business on 31 December by reference to Stock Exchange quoted bid prices. Financial assets at fair value through profit or loss are classified as current assets because they are expected to be realised within twelve months from the reporting date.

In the cash flow statement, financial assets at fair value through profit or loss are presented within the section on operating activities as part of changes in working capital. In the statement of comprehensive income, changes in fair values of financial assets at fair value through profit or loss are recorded in operating income.

**WONDERWORKS INVESTMENTS LIMITED****NOTES TO THE FINANCIAL STATEMENTS**

Year ended 31 December 2012

**13. Cash at bank and in hand**

For the purposes of the cash flow statement, the cash and cash equivalents include the following:

	2012	2011
	US\$	US\$
Cash with banks	749,503	3,912
Cash with brokers	10,109,337	500,000
Bank Overdraft (Note 15)	(54)	-
	<u>10,858,786</u>	<u>503,912</u>

The exposure of the Company to credit risk and impairment losses in relation to cash and cash equivalents is reported in note 3 of the financial statements.

**14. Share capital**

	2012 Number of shares	2012 US\$	2011 Number of shares	2011 US\$
<b>Authorised</b>				
Ordinary shares of €1.71 each	<u>1,000</u>	<u>1,430</u>	<u>1,000</u>	<u>1,430</u>
<b>Issued and fully paid</b>				
Balance at 1 January	1,000	1,430	-	-
Issue of shares	-	-	1,000	1,430
<b>Balance at 31 December</b>	<u>1,000</u>	<u>1,430</u>	<u>1,000</u>	<u>1,430</u>

**15. Borrowings**

	2012 US\$	2011 US\$
<b>Current borrowings</b>		
Bank overdrafts (Note 13)	54	-
Other loans	<u>522,917</u>	<u>-</u>
	<u>522,971</u>	<u>-</u>
<b>Non current borrowings</b>		
Other loans	<u>93,777,868</u>	<u>505,194</u>
<b>Total</b>	<u>94,300,839</u>	<u>505,194</u>

Maturity of non-current borrowings:

	2012 US\$	2011 US\$
Between two and five years	<u>93,777,868</u>	<u>505,194</u>

The above other loans bear interest between 3.2% to 4.5% per annum and are not secured.

**WONDERWORKS INVESTMENTS LIMITED****NOTES TO THE FINANCIAL STATEMENTS**

Year ended 31 December 2012

**16. Trade and other payables**

	2012	2011
	US\$	US\$
Trade payables	249,231,102	-
Shareholder's current account - credit balances (Note 17)	77,908	14,279
Accruals	27,522	6,163
	<u>249,336,532</u>	<u>20,442</u>

The fair values of trade and other payables due within one year approximate to their carrying amounts as presented above.

**17. Related party transactions**

The following transactions were carried out with related parties:

**17.1 Shareholder's current account - credit balances (Note 16)**

	2012	2011
	US\$	US\$
Wonderheart Assets Limited	77,908	14,279
	<u>77,908</u>	<u>14,279</u>

The shareholder's current account is interest free, and has no specified repayment date.

**18. Commitments**

The Company had no capital or other commitments as at 31 December 2012.

**19. Events after the reporting period**

On 18 April 2013 legislation was enacted by the House of Representatives to increase the corporate tax from 10% to 12.5% with effect from 1 January 2013. Furthermore, legislation was enacted to increase the rate of special defence contribution from 15% to 30% on interest which does not arise from the ordinary course of business or is closely linked to it.

**Independent auditor's report on pages 4 and 5**